

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE

IN THE MATTER OF THE APPLICATION OF)	
DELMARVA POWER & LIGHT COMPANY FOR)	PSC Docket No. 20-0149
AN INCREASE IN ELECTRIC BASE RATES AND)	
OTHER MISCELLANEOUS TARIFF CHANGES)	
(FILED MARCH 6, 2020))	

ORDER NO. 9XXX

AND NOW, this 1st day of April 2020, the Delaware Public Service Commission (“Commission”) determines and orders as follows:

WHEREAS, on March 6, 2020, Delmarva Power & Light Company (“Delmarva” or the “Company”) filed with the Commission an application (“Application”) seeking approval of: (1) an increase in its electric base rates of \$24.3 million, which for a typical residential customer using an average of 845 kWh per month is approximately a 3.42% increase over existing base rates;¹ and (2) a proposal to include an additional eleven (11) Light Emitting Diode (“LED”) Street Lighting Rates to the service tariff as described in the Application; and

WHEREAS, 26 *Del. C.* § 306(a)(1) permits the Commission to suspend the operation of a utility’s proposed rate change for a period not to exceed seven months after the filing of a utility’s rate change request or, for this Application, October 6, 2020; and

¹The \$24.3 million increase in rates is made up of two pieces: (1) the requested increase in rates as set forth in Delmarva’s Application of \$21.1million, which will be implemented on a temporary basis within seven (7) months of the date of the filing of the Application as permitted by 26 *Del. C.* §306(a)(1); and (2) \$3.2 million of revenue currently being charged through the Distribution System Improvement Charge (“DSIC”), which pursuant to 26 *Del. C.* § 315(b)(9), will be transferred from the DSIC surcharge into base rates at the time base rates are increased pursuant to the Application. Thus the total requested increase in rates, if approved by the Commission, will be \$24.3 million.

WHEREAS, the Company has requested that the Commission grant the proposed changes to rates effective October 6, 2020, pursuant to 26 *Del. C.* § 306(b),² which provides that, upon termination of the seven months as set forth in § 306(a)(1), the proposed rate change shall automatically become effective, subject to refund, so long as the Company files with the Commission a bond or other arrangements satisfactory to the Commission for the protection of the interested parties, and so long as the increase does not exceed 15 % of the Company's gross intrastate operating revenues; and

WHEREAS, the Company requests that the Commission accept its long-standing history within the State and its commitment to abide with a Commission refund order as a satisfactory substitute and sufficient surety to meet the bond requirements of 26 *Del. C.* §306(b) with respect to the requested interim rates proposed to become effective October 6, 2020; and

WHEREAS, the Company requests a waiver of Part II, Paragraph 2.2.1 (Plant Capacity and Service); Part V, Paragraph 5.2.5 and 5.2.6 (Net Operating Income); Part V, Paragraph 5.3.8 (Net Operating Income) and Part V, Paragraph 5.3.14 (Net Operating Income) of the Commission's Minimum Filing Requirements as set forth in 26 *Del. Admin. C.* 1002A because the information has either already been provided, results in formatting conversion issues or is not relevant to this Application;

**NOW, THEREFORE, IT IS HEREBY ORDERED BY THE AFFIRMATIVE
VOTE OF NOT FEWER THAN THREE COMMISSIONERS:**

1. That the rates and revised tariff sheets filed by Delmarva on March 6, 2020, are hereby suspended pursuant to 26 *Del. C.* § 306(a)(1) and, subject to the implementation of base

²Delmarva will forego the implementation of interim rates permitted 60 days from the filing date pursuant to 26 *Del. C.* § 306(a)(2), to avert resetting its Distribution System Improvement Charge to zero, which would be required under 26 *Del. C.* § 315(b)(9).

rates as authorized herein, shall not be placed into force or effect except pursuant to law or further Order of the Commission, and then only to the extent such law or further Commission Order may permit or allow.

2. That any proposed modifications to its tariffs are suspended until such time as a final Order in this proceeding is issued.

3. That based on Delmarva's current financial condition and creditworthiness, its long-standing history with the State, and its commitment to abide by a Commission refund order, the Commission finds that sufficient surety exists to meet the bond requirements of 26 *Del. C.* § 306(b), and therefore will not require a bond in connection with the implementation of interim rates on October 6, 2020.

4. That on March 31, 2020, Delmarva filed its responses to the Minimum Filing Requirement ("MFR") deficiencies brought forth by the Commission Staff per letter dated March 19, 2020. Although Commission Staff is responsible for determining whether the MFRs are met, Delmarva also responded to inquiries and alleged deficiencies raised by the Division of the Public Advocate per letter dated March 20, 2020. Responses to MFR deficiencies are not due until April 3, 2020 per 26 *Del. Admin. C.* §1002A-1.5.

5. That the Commission grants Delmarva's request to waive Part II, Paragraph 2.2.1, Part V, Paragraph 5.2.5 and 5.2.6, Part V, Paragraph 5.3.8 and Part V, Paragraph 5.3.14 of the Commission's Minimum Filing Requirements.

6. That Delmarva shall give public notice of the filing of this Application with the proposed rate changes and this action by the Commission, by publishing notice in a form similar to the one attached hereto as **Exhibit "A"**, updated for information as reflected in subsequent filings with the Commission, in two-column format, outlined in black, in the legal classified

section of *The News Journal*, the *Delaware State News*, and the *Cape Gazette* once during the week beginning April 20, 2020. Delmarva shall submit proof of such publication as soon as possible, but no later than the commencement of the evidentiary hearings concerning this matter.

7. That as a result of Order No. 9564 in Docket No. 20-0217 issued by the Commission on April 1, 2020 pertaining to the reclassification of approximately 5,200 eligible commercial customers, Delmarva will revise its Class Cost of Service Study and related Rate Design associated with its Application in this docket based upon the commercial customer reclassification. Delmarva proposes to file the revised Class Cost of Service Study and related Rate Design on or before April 30, 2020. Delmarva will also give public notice of the proposed rate changes associated with its revised Class Cost of Service Study and related Rate Design by publishing notice thereof in a form substantially similar to the one attached hereto as Exhibit “A” in two-column format, outlined in black, in the legal classified section of *The News Journal*, the *Delaware State News*, and the *Cape Gazette* once during the week beginning May 11, 2020. Delmarva shall submit proof of such publication as soon as possible, but no later than the commencement of the evidentiary hearings concerning this matter.

8. That the Commission designates Senior Hearing Examiner Mark Lawrence as hearing examiner for this matter pursuant to the terms of 26 *Del. C.* § 502 and 29 *Del. C.* ch. 101, to schedule and conduct, upon due notice, such public comment sessions and evidentiary hearings, as may be necessary to have a full and complete record concerning the justness and reasonableness of the proposed increases to rates and tariff modifications. Thereafter, Senior Hearing Examiner Lawrence shall file with the Commission for its consideration his proposed order with his findings and recommendations. Pursuant to 29 *Del. C.* § 10126(a), such proposed

order must include: (i) a brief summary of the evidence and recommended findings of fact based upon the evidence; (ii) recommended conclusions of law; and (iii) a recommended decision.

9. That, pursuant to 29 *Del. C.* ch. 101 and 26 *Del. Admin. C.* § 1001-2.9, Senior Hearing Examiner Lawrence is specifically delegated the authority to grant or deny petitions seeking leave to intervene and for admission of counsel *pro hac vice*. In addition, Senior Hearing Examiner Lawrence is delegated the authority, under 26 *Del. C.* §102(A), to determine the form and manner of any further public notice in this matter.

10. That the deadline for filing petitions to intervene pursuant to 26 *Del. Admin. C.* § 1001-2.9 shall be **Friday, May 8, 2020**. Late-filed petitions to intervene will not be granted unless good cause is shown.

11. That upon approval of an Order by the Commission to put rates into effect as of October 6, 2020, pursuant to the provisions of 26 *Del. C.* §306 (a)(1), the DSIC rate shall be reset to zero.

12. That Delmarva is hereby placed on notice that the costs of the proceedings will be charged to it under the provisions of 26 *Del. C.* §114(b) (1).

13. That the Commission reserves the jurisdiction and authority to enter such further Orders in this matter as may be deemed necessary or proper.

BY ORDER OF THE COMMISSION:

Chair

Commissioner

Commissioner

Commissioner

Commissioner

ATTEST:

Secretary

EXHIBIT “A”
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE

IN THE MATTER OF THE APPLICATION OF)
DELMARVA POWER & LIGHT COMPANY) Docket No. 20-0149
FOR AN INCREASE IN ELECTRIC)
BASE RATES AND OTHER MISCELLANEOUS)
TARIFF CHANGES (Filed March 6, 2020))

PUBLIC NOTICE OF THE APPLICATION OF DELMARVA POWER & LIGHT
COMPANY FOR AN INCREASE IN ITS ELECTRIC BASE RATES AND
MISCELLANEOUS TARIFF CHANGES

TO: ALL ELECTRIC CUSTOMERS OF DELMARVA
POWER & LIGHT COMPANY

On March 6, 2020, Delmarva Power & Light Company (“Delmarva”) filed an application with the Delaware Public Service Commission (“Commission”) seeking approval for an increase in its electric base rates and certain changes to its electric tariff.

In its application, Delmarva seeks an increase in annual operating revenues of \$24.3, or an increase for a typical customer using an average of 845 kWh per month of 3.42% over existing base rates. Delmarva notes that its proposed increase in base rates includes \$3.2 million of revenues currently recovered through its Distribution System Improvement Charge (“DSIC”), which it proposed to be transferred into base rates.³

The following is a breakdown by service classification of Delmarva’s proposed increases, which include the existing revenues from the DSIC:

Service Classification	Full Proposed Request (Incl. DSIC) (\$)	Percent Increase (Incl. DSIC) (%)
RES-TOU	\$6,020	4.3%

³ The 24.3 million increase in rates is made up of two pieces: (1) the requested increase in rates as set forth in Delmarva’s Application of \$21.1million, which will be implemented on a temporary basis within seven (7) months of the date of the filing of the Application as permitted by 26 *Del. C.* §306(a)(1); and (2) \$3.2 million of revenue currently being charged through the Distribution System Improvement Charge (“DSIC”), which pursuant to 26 *Del. C.* § 315(b)(9), will be transferred from the DSIC surcharge into base rates at the time base rates are increased pursuant to the Application. Thus the total requested increase in rates, if approved by the Commission, will be \$24.3 million.

RES	\$10,390,855	4.1%
RSH	\$5,748,064	4.8%
SGS-S	\$702,319	4.0%
MGS-S	\$2,219,596	2.9%
GS-SH	\$29,144	2.0%
GS-WH	\$773	2.6%
ORL	\$1,657	3.2%
LGS-S	\$1,142,447	6.4%
GS-P	\$3,260,601	7.2%
GS-T	\$35,270	6.1%
OL	\$758,339	5.8%

The Commission has suspended the proposed rates for seven (7) months and will consider the request for proposed electric base rate changes and other modifications to become effective as of October 6, 2020, subject to refund after evidentiary hearings and further proceedings to be presided over by a Commission Hearing Examiner. Delmarva Power does not intend to exercise its statutory right to put into effect an interim rate increase of \$2.5 million, which would have been effective May 6, 2020.

The Commission will make its decision on this matter on the basis of the record evidence taken at the public evidentiary hearings. The Commission may approve or reject, in whole or in part, the proposed increase and tariff revisions and may apply a different method for allocating any increase that it approves.

You are invited to review Delmarva's application and supporting documents to determine how your interest may be affected by going to DelaFile (<http://delafile.delaware.gov>), the Commission's docketing and file management system, and by searching for Docket No. 20-0149.

If you wish to formally participate as a party in this matter, with the right to present evidence and be represented by counsel, you must file with the Commission a petition asking for leave to intervene in accordance with the requirements of the Commission's *Rules of Practice and Procedure* (26 Del. Admin. C. §1001-2.9) **on or before May 8, 2020**. All such petitions should be filed in DelaFile according to the Commission's rules (26 Del. Admin. C. §1001-1.6.4). Petitions filed after the deadline of May 8, 2020, will not be considered except for good cause shown.

If you would like to review documents at the Commission's offices, please contact Donna Nickerson at (302) 736-7500 or send an email addressed to donna.nickerson@delaware.gov. You may also review copies of Delmarva's application and supporting documents at the offices of the Division of the Public Advocate located at 820 North French Street, 4th Floor, Wilmington, Delaware 19801 or 29 South State Street, Dover, Delaware 19901. Please call either (302) 577-

5077 or (302) 241-2555 to arrange for a time to review the documents at either of those locations.

If you wish to request copies of documents in this matter, please submit a Freedom of Information Act Request Form. The link to this form can be found on the Commission's website, <https://depsec.delaware.gov>, or by visiting this web address: <https://delafile.delaware.gov/Complaints/FOIA.aspx>. The Commission will respond to your request in accordance with the Delaware Freedom of Information Act, 29 *Del. C. ch.* 100.

If you have a disability and wish to participate or to review the materials in this matter, please contact the Commission to discuss any auxiliary aids or services you might need to help you. You may contact the Commission in person, by writing, by telephone (including text telephone), by email, or other means.

If you have questions about this matter, you may call the Commission at 1-800-282-8574 (toll-free in Delaware) or (302) 736-7500 (voice and text telephone). You may also send questions regarding this matter by Internet e-mail addressed to psc@delaware.gov with "Docket No. 20-0149" in the subject line.